

## Message Text

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ORIGIN AF-10

INFO OCT-01 EUR-12 ISO-00 SSO-00 INRE-00 ICAE-00  
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FM SECSTATE WASHDC

TO AMEMBASSY PRETORIA IMMEDIATE

AMCONSUL CAPE TOWN IMMEDIATE

AMCONSUL DURBAN IMMEDIATE

AMCONSUL JOHANNESBURG IMMEDIATE

INFO AMEMBASSY LAGOS

AMEMBASSY LUSAKA

AMEMBASSY LONDON

AMEMBASSY GABORONE

AMEMBASSY MAPUTO

AMEMBASSY DAR ES SALAAM

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E.O. 11652:N/A

TAGS: OREP, PINT, EINV, ELAB, SHUM, RH, SF

SUBJECT: SOLARZ PRESS CONFERENCE

SUMMARY: AT APRIL 20 WASHINGTON PRESS CONFERENCE REPORTING ON HIS RECENT TRIP TO SOUTHERN AFRICA, REP. STEPHEN SOLARZ DESCRIBED BILL HE INTENDS TO INTRODUCE NEXT WEEK WHICH WOULD END NEW AMERICAN INVESTMENT IN SOUTH AFRICA. SOLARZ ALSO DESCRIBED CONDITIONS WHICH SHOULD BE MET BEFORE RHODESIAN INTERNAL SETTLEMENT COULD BE RECOGNIZED.

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1. REP. SOLARZ BEGAN PRESS CONFERENCE BY OUTLINING HIS DISCUSSIONS WITH INTERNAL AND EXTERNAL RHODESIAN NATION-ALIST LEADERS AS WELL AS FRONT LINE REPRESENTATIVES. HE SAID THAT IT WOULD BE A MISTAKE TO RECOGNIZE PREMATURELY THE INTERNAL SETTLEMENT. WHILE PROSPECTS FOR SUCCESS WERE BLEAK, HE THOUGHT BEST POLICY WOULD BE TO CONTINUE

EFFORTS TO BRING EXTERNAL AND INTERNAL LEADERS TOGETHER.

2. SOLARZ LISTED CONDITIONS THAT SHOULD BE MET BEFORE RECOGNIZING INTERNAL SETTLEMENT:

-- REPEAL OF THE LAND TENURE ACT AND OTHER RACIALLY RESTRICTIVE LEGISLATION.

-- CHANGE METHODS OF FIGHTING GUERRILLA WAR, INCLUDING ELIMINATION OF PROTECTED VILLAGES.

-- RELEASE OF POLITICAL DETAINEES.

-- END TO CAPITAL PUNISHMENT FOR HAVING FOUGHT WITH EXTERNAL NATIONALISTS.

-- INDEPENDENT REFERENDUM ON INTERNAL SETTLEMENT AND WHATEVER CONSTITUTIONAL PROPOSALS ARE WORKED OUT.

SOLARZ STATED THAT IF THESE CONDITIONS WERE MET, IN HIS VIEW THE U.S. WOULD HAVE NO CHOICE BUT TO RECOGNIZE AND SUPPORT THE INTERNAL SETTLEMENT. HE NOTED THAT THERE HAD BEEN PROGRESS ON THE QUESTION OF CAPITAL PUNISHMENT AND POLITICAL DETAINEES.

3. QUESTIONED ON THE SINCERITY OF THE INTERNAL BLACK UNCLASSIFIED

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LEADERS, SOLARZ STATED THAT IN HIS VIEW THEY (ESPECIALLY MUZOREWA) WERE SINCERE IN BELIEF THAT THE INTERNAL SETTLEMENT COULD EVOLVE INTO GENUINE MAJORITY RULE. HE WAS NOT CONVINCED, HOWEVER, OF THE SINCERITY OF THE WHITES TO ACCEDE TO MAJORITY RULE. HE POINTED TO THE RECENT ACTION ON THE SALISBURY CITY COUNCIL TO FORESTALL CONSIDERATION OF A HOUSING DESEGREGATION BILL UNTIL NEXT YEAR AS EVIDENCE THAT WHITES ARE NOT READY TO ACCEPT MAJORITY RULE.

4. TURNING TO SOUTH AFRICA, SOLARZ STATED THAT THE COUNTRY WAS A VOLCANO ON THE VERGE OF ERUPTION. HE DESCRIBED BILL WHICH HE INTENDS TO INTRODUCE NEXT WEEK IN HOUSE. BILL HAS 28 CO-SPONSORS, INCLUDING AFRICAN SUB-COMMITTEE CHAIRMAN DIGGS. SOLARZ WAS NOT OPTIMISTIC OVER BILL'S PROSPECTS.

5. TEXT OF SUMMARY OF BILL'S MAJOR PROVISIONS DISTRIBUTED BY SOLARZ FOLLOWS.

BEGIN TEXT:

PART I: PROHIBITION ON NEW INVESTMENT IN SOUTH AFRICA

-- PROHIBITS ALL NEW INVESTMENTS WITHIN SOUTH AFRICA BY

U.S. CORPORATIONS, EXCEPT THOSE FROM EARNINGS OF AN EXISTING ENTERPRISE IN SOUTH AFRICA.

-- PENALTIES INCLUDE A FINE OF UP TO 1 MILLION DOLLARS FOR VIOLATIONS BY CORPORATIONS AND A FINE OF UP TO 10,000 DOLLARS AND/OR UP TO FIVE YEARS IMPRISONMENT FOR INDIVIDUALS.

PART II: FAIR EMPLOYMENT PRACTICES CODE

-- U.S. CORPORATIONS IN SOUTH AFRICA MUST COMPLY WITH CIVIL RIGHTS ACT OF 1964 AND AFFIRMATIVE ACTION PROVISIONS OF EXECUTIVE ORDER 11246 OF 1965; THEY MUST ALLOW EMPLOYEES TO ORGANIZE AND BARGAIN COLLECTIVELY THROUGH REPRESENTATIVES OF THEIR OWN CHOOSING.

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-- AN ADMINISTRATOR DESIGNATED BY THE PRESIDENT SHALL ESTABLISH A ROSTER OF ALL AMERICAN FIRMS IN SOUTH AFRICA IN COMPLIANCE WITH THESE PROVISIONS, AND SHALL REVIEW ELIGIBILITY OF CORPORATIONS AT LEAST ONCE EVERY TWO YEARS.

-- THE ADMINISTRATOR MAY PENALIZE FIRMS NOT IN COMPLIANCE BY DENYING THEM EXPORT LICENCES FOR EXPORTS TO SOUTH AFRICA, SERVICES OF THE EXPORT-IMPORT BANK FOR TRANSACTIONS INVOLVING SOUTH AFRICA, AND/OR BY FORBIDDING THE FIRM FROM ENTERING INTO CONTRACTS WITH THE UNITED STATES.

-- CORPORATIONS MAY SEEK JUDICIAL REVIEW OF THE ADMINISTRATOR'S DECISIONS.

-- THE PRESIDENT SHALL APPOINT AN 11 PERSON ADVISORY BOARD TO RECOMMEND POLICY TO THE ADMINISTRATOR.

-- THESE PROVISIONS MAY BE WAIVED IF SOUTH AFRICA MAKES PROGRESS TOWARD THE FULL PARTICIPATION OF ALL ITS CITIZENS IN ALL ASPECTS OF SOUTH AFRICAN LIFE, IF THERE IS A CONFLICT WITH PRIOR SOUTH AFRICAN LAW, OR IF THE PRESIDENT FINDS THAT COMPLIANCE WITH A PARTICULAR ORDER OF THE ADMINISTRATOR WOULD HARM THE NATIONAL SECURITY OF THE UNITED STATES. END QUOTE.

6. SOLARZ CHARACTERIZED BILL AS MODERATE STEP WHICH WOULD NOT AFFECT TRADE NOR END EXISTING INVESTMENT. HE ALSO CLAIMED THAT PROVISION FOR PRESIDENTIAL WAIVER GIVEN EVIDENCE OF IMPROVEMENT IN SOUTH AFRICA PROVIDED CARROT WITH STICK. QUESTIONED ABOUT INVESTMENT BAN, SOLARZ ANSWERED THAT BAN WOULD COVER BANK LOANS AS WELL AS DIRECT INVESTMENT, AND THAT ADHERENCE TO THE SULLIVAN CODE, WITH UNCLASSIFIED

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SOME ADJUSTMENTS, WOULD REPRESENT COMPLIANCE UNDER PART II  
OF SUMMARY.

7. FYI: PRESS CONFERENCE WAS WELL ATTENDED BY REPRESENTATIVES OF THE SOUTH AFRICAN PRESS. CHRISTOPHER

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## Message Attributes

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**TAGS:** OREP, PINT, EINV, ELAB, SHUM, RH, SF, (SOLARZ, STEPHEN)  
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